
By: **Chairman, Ways and Means Committee (Departmental - Business and Economic Development)**

Introduced and read first time: February 7, 2001

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Business and Economic Development - Tax Credits for Qualified**
3 **Brownfields Sites**

4 FOR the purpose of providing tax credits for brownfields sites under certain existing
5 tax credit programs; altering a certain definition; providing for the application
6 of this Act; and generally relating to tax credits for brownfields sites.

7 BY repealing and reenacting, without amendments,
8 Article 83A - Department of Business and Economic Development
9 Section 5-404(a) and 5-1102(c)
10 Annotated Code of Maryland
11 (1998 Replacement Volume and 2000 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article 83A - Department of Business and Economic Development
14 Section 5-1101(i) and (k)
15 Annotated Code of Maryland
16 (1998 Replacement Volume and 2000 Supplement)

17 BY adding to
18 Article 83A - Department of Business and Economic Development
19 Section 5-402(l)
20 Annotated Code of Maryland
21 (1998 Replacement Volume and 2000 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 MARYLAND, That the Laws of Maryland read as follows:

Article 83A - Department of Business and Economic Development

2 5-402.

3 (L) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A BUSINESS
4 LOCATED IN AN AREA THAT MEETS THE REQUIREMENTS OF A QUALIFIED
5 BROWNFIELDS SITE UNDER SUBTITLE 14 OF THIS TITLE SHALL AUTOMATICALLY,
6 AND WITHOUT ANY ADDITIONAL ACTION BY THE POLITICAL SUBDIVISION IN WHICH
7 THE SITE IS LOCATED OR BY THE SECRETARY, BE ELIGIBLE FOR THE SAME
8 PROPERTY AND INCOME TAX CREDITS RECEIVED BY ELIGIBLE BUSINESSES
9 LOCATED IN FOCUS AREAS IN ENTERPRISE ZONES UNDER § 5-404 OF THIS SUBTITLE.

10 5-404.

11 (a) The following incentives and initiatives shall be available to business
12 entities to the extent provided for in this section:

13 (1) The special property tax credit set forth in § 9-103 of the Tax -
14 Property Article;

15 (2) The income tax credits set forth in § 10-702 of the Tax - General
16 Article;

17 (3) The consideration for financial assistance from the programs set
18 forth in § 5-102 of this article.

19 5-1101.

20 (i) "Revitalization area" means:

21 (1) An area designated as an enterprise zone by the Secretary under §
22 5-402 of this title or by the United States government;

23 (2) An area designated as an empowerment zone by the United States
24 government pursuant to 26 U.S.C. § 1391 et seq.; [or]

25 (3) An area designated as an eligible neighborhood for economic
26 revitalization assistance under Article 83B, § 4-203 of the Code; OR

27 (4) AN AREA THAT MEETS THE REQUIREMENTS OF A QUALIFIED
28 BROWNFIELDS SITE UNDER SUBTITLE 14 OF THIS TITLE.

29 (k) "State priority funding area" includes the following areas:

30 (1) An incorporated municipality;

31 (2) A designated neighborhood, as defined in Article 83B, § 4-202 of the
32 Code;

33 (3) An enterprise zone as designated under § 5-402 of this title or by the
34 United States government;

1 (4) Those areas of the State located between Interstate Highway 495 and
2 the District of Columbia;

3 (5) Those areas of the State located between Interstate Highway 695 and
4 Baltimore City;

5 (6) [No more than one area in a county] ALL AREAS designated by [the]
6 A county as a priority funding area under § 5-7B-03(c) of the State Finance and
7 Procurement Article; and

8 (7) That portion of the Port Land Use Development Zone, as defined in §
9 6-501(e) of the Transportation Article, that has been designated as an area
10 appropriate for growth in the county comprehensive master plan.

11 5-1102.

12 (c) (1) A qualified business entity may claim a tax credit in the amount
13 determined under this section.

14 (2) (i) Except as otherwise provided in this section, the credit earned
15 under this section equals the lesser of:

16 1. \$1,000 multiplied times the number of qualified
17 employees employed by the qualified entity during the credit year; and

18 2. 2.5% of the wages paid by the qualified business entity
19 during the credit year to the qualified employees.

20 (ii) For qualified employees working in a facility located in a
21 revitalization area, the credit earned under this section equals the lesser of:

22 1. \$1,500 multiplied times the number of qualified
23 employees employed by the qualified entity during the credit year; and

24 2. 5% of the wages paid by the qualified business entity
25 during the credit year to the qualified employees.

26 (3) The credit earned under paragraph (2) of this subsection shall be
27 allowed ratably, with one-half of the credit amount allowed annually for 2 years
28 beginning with the credit year.

29 (4) The credit earned by a qualified business entity under this subtitle
30 may not exceed \$1,000,000 for any credit year.

31 (5) The same credit cannot be applied more than once against different
32 taxes by the same taxpayer.

33 (6) (i) To be certified as a qualified business entity, a business entity
34 shall submit the following to the Department in accordance with regulations adopted
35 by the Department:

- 1 1. The effective date of the start-up or expansion;
- 2 2. The number of full-time employees prior to the start-up
- 3 or expansion and the payroll of the existing employees;
- 4 3. The number of qualified positions created, qualified
- 5 employees hired, and the payroll of those employees; and
- 6 4. Any other information that the Department requires by
- 7 regulation.

8 (ii) The Department may require any information required under

9 this paragraph to be verified by an independent auditor selected by the business

10 entity.

11 (7) A qualified business entity must obtain, and submit to the

12 appropriate State agency with the tax return on which the credit is claimed,

13 certification from the Department that the entity has met the requirements of this

14 section and is eligible for the credit.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall not apply to

16 a qualified brownfields site for which a voluntary cleanup under Title 7, Subtitle 5 of

17 the Environment Article, or a corrective action plan under Title 4 of the Environment

18 Article, has been completed on or before June 30, 2001.

19 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take

20 effect July 1, 2001. With respect to real property tax credits, this Act shall apply to all

21 taxable years beginning after June 30, 2001. With respect to income tax credits and

22 premium tax credits, this Act shall apply to all taxable years beginning after

23 December 31, 2001.